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Minister of Finance not in conflict over forest bio-energy measure

Related Document:

- Letter from the Ethics Commissioner to the Minister of Finance
- PDF Version

Minister of Finance Jim Flaherty today released a letter from Ethics Commissioner Bernard J. Shapiro ruling that Mr. Flaherty is not in a conflict of interest with regard to a budget measure on accelerating Capital Cost Allowance for forest bio-energy.

A media report last week alleged that a small industrial chemical company, Dorset Industrial Chemical Ltd., owned by Mr. Flaherty's brother, could benefit from the capital cost provisions.

The Capital Cost Allowance provision applies to co-generation equipment typically found in a pulp mill. The company, Dorset, is a chemical manufacturer – it does not have co-generation equipment.

The Department of Finance has confirmed that the company would not be eligible to avail itself of the accelerated Capital Cost Allowance provisions confirmed in Budget 2006.

Attached is a copy of the letter from the Ethics Commissioner to the Minister of Finance, dated May 16, 2006, confirming no conflict of interest.

For further information, media may contact:

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PROTECTED -PERSONAL INFORMATION

May 16, 2006

The Honourable James Michael Flaherty, P.C., M.P.
Minister of Finance
L' Esplanade Laurier
140 O'Connor Street
21st Floor, East Tower
Ottawa, ON
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Dear Minister:

This letter is in response to your request for advice on May 11, 2006, in relation to your role as Minister of Finance with regard to the Budget measure on accelerating capital cost allowance for forestry bioenergy, and the ownership interest of your brother in Dorset Industrial Chemicals, Inc. ("Dorset").

Based on the information you have thus far provided my Office, and on condition that your Department can confirm to you that a company such as Dorset would not be eligible to avail itself of this particular budgetary measure, I am of the opinion that you are not in a conflict of interest in this situation.

This communication constitutes confidential advice to you as a client of this Office. As we discussed, if you choose to make this advice public, then it should be released in its entirety.

I appreciate your prompt action to clarify your obligations under the *Conflict of Interest and Post-Employment Code for Public Office Holders*. If you have any other questions, please do not hesitate to contact me.

Sincerely,

Bernard J. Shapiro
Ethics Commissioner

Last Updated: 2006-05-19 Important Notices